



Egg Markets Overview

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Wholesale prices for conventional shell eggs are under tremendous downward pressure and have begun to drop sharply where tested. Prices established on a weekly basis are also feeling the pressure and are expected to reflect the same level of decline when they are published next Monday. Supplies have increased beyond what the current level of demand can absorb. Prices for national trading of trucklot quantities of graded, loose, White Large shell eggs declined seventeen percent (from \$2.54 to \$2.10 per dozen). The Midwest wholesale price for Large, white, shell eggs delivered to retailers was unchanged this week at \$2.72 per dozen but is expected to decline by as much as ten percent when the new weekly price is established next week. Similarly, the benchmark price for Large shell eggs in California was unchanged this week at \$3.61 per dozen but asking prices into next week are down three percent at this point. The wholesale price on the bellwether New York market for Large shell eggs delivered to retailers declined nine percent (from \$2.76 to \$2.50 per dozen) on ample offerings and limited demand.

The latest shell egg inventory shows overall stocks continuing to rise, up 3.3 percent with inventories of desirable Large size eggs up 4.5 percent overall and up 8.9 percent in the key Midwest production region. This marks the second consecutive week of inventory increases and reflects buyer resistance to higher wholesale prices. The inventory of Small eggs is up 28.5 percent as first-time layers have not yet fully matured into consistently producing larger eggs. Breaking stock inventories increased by 4.6 percent.

Supermarket featuring of conventional Large, white shell eggs drops sharply, down about sixty-five percent from the last ad cycle. The average ad price to consumers increases sharply to a record high, on a limited number of ads (from \$2.44 to \$2.76 per dozen). Featuring of specialty shell eggs comprise about seventy percent of shell egg ads this ad cycle.

Wholesale prices for breaking stock, shell eggs for processing, declined sixteen percent (from \$2.32 to \$1.96 per dozen) on moderate to heavy supplies and slow trading activity. Breaking schedules are running full-time. Trading of egg products has slowed with and prices are lower for most products. Wholesale prices for liquid whole eggs are down ten percent (from \$2.14 to \$1.92 per pound). Wholesale prices for whole frozen eggs declined two percent (from \$2.45 to \$2.40 per pound) while frozen whites dropped one percent (from \$2.22 to \$2.20 per pound). Wholesale prices for whole dried egg are down two percent (from \$10.50 to \$10.25 per pound) while those for dried whites are down eight percent (from \$18.25 to \$16.75 per pound). Dried yolk prices are unchanged at \$10.00 per pound.

The volume of eggs processed last week declined two percent and continues to lag well behind last year's production pace. Liquid whole egg production declined two percent while liquid white held steady and yolk dropped six percent. The monthly inventory of total dried egg products for July increased five percent from June but is 42 percent below July 2014. This indicates that egg products manufacturers are having some success in rebuilding inventories drawn down when production was lost to HPAI.

The U.S. imported 2,981,040 dozen shell eggs for breaking stock this past week, nearly eight percent of the total volume of eggs processed in the U.S. during the same period. The total volume of imports of breaking stock since June 23 is 13,890,045 dozen.